

also the ability to influence or control policy decisions, it certainly should adopt at least the ten percent level used by the SEC and tentatively proposed by the FCC in the NPRM.

Given these three factors, Tribune supports the FCC's tentative conclusion that it should increase the voting stock benchmark from five percent to ten percent. Tribune also suggests that the Commission at the same time raise the level of cognizable interests for qualified institutional investors to at least fifteen percent, and more advisably to twenty percent. Aside from the logical congruity in this change, other factors recommend its propriety and advisability.

As an initial matter, the three rationales provided above for increasing the voting stock benchmark to ten percent also suggest increasing the level of non-attributable institutional investment to twenty percent. The qualified institutional investors recognized by the Commission (for example, bank trust departments, insurance companies and certain investment companies) are unlikely to make an investment in a company for the purpose of exercising influence or control over that venture with less than 20% of the venture's stock. See Attribution Order, 97 F.C.C.2d at 1012-17. In such circumstances, the level of non-cognizable ownership for such an institutional investor should exceed the level of non-cognizable ownership for other types of investors. This is especially true given the conclusions of Congress, the SEC and DOT concerning the

appropriate benchmark for attribution for all types of investors. See supra at 20-21 (Clayton Act establishing 15% benchmark; SEC and DOT setting 10% benchmark). Moreover, the increase in the benchmark for qualified institutional investors is likely to increase investment in new communications ventures by investors who do not seek to influence or control the operation or management of the venture.

Finally, an increase in the benchmark for qualified institutional investors will have the added benefit of reducing the paperwork burden on the Commission and licensees. Currently, Tribune and other media companies invest in various qualified institutional investors. In order to ensure compliance with the FCC's substantive ownership restrictions, Tribune and these qualified institutions must track levels of investment below ten percent even though the institutional investor and Tribune have no significant influence or control over those investments. By concomitantly increasing the benchmarks for voting stock to ten percent and twenty percent for institutional investors, the Commission will reduce the paperwork burden on these types of companies without sacrificing any public objective underlying its substantive rules.

VI. CONCLUSION

For the reasons stated above, Tribune urges that the Commission continue its existing attribution policies or adopt

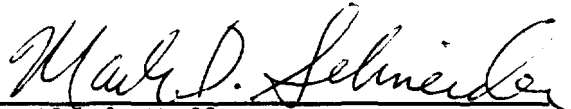
new attribution policies that recognize the competitive nature of the market for delivering video programming and encourage further investment in that market. In adopting its rules, the Commission should tailor its regulation to reflect the actual business practice of business entities rather than adopt regulations tailored to avoid any chance of potential abuse. Specifically, Tribune first urges the Commission to adopt rules for LLCs that recognize the flexibility of the operation of LLCs as a form of business organization. Second, Tribune supports the retention of the single majority shareholder exception for minority holdings in corporations. Finally, Tribune supports increasing the stock ownership levels for attribution from 5% for voting stock and 10% for certain qualified institutional investors to 10% for voting stock and 20% for qualified institutional investors.

FOR THE REASONS STATED HEREIN, Tribune respectfully
urges the Commission to promulgate rules consistent with the
foregoing Comments.

Respectfully submitted,

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Dated: May 17, 1995